

Development, Poverty Reduction and Human Rights

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Daily Mirror, 17 March, 2008

The former Secretary-General of the UN once remarked that “global market forces can generate wealth and spread prosperity, but where development is uneven the result can be increased political tensions and risks of instability.” This is a phenomenon that has been proved true again and again in different parts of the world, including Sri Lanka.

Economics, which was a science of how resources are to be managed effectively to ensure satisfactory sustenance, has increasingly become a science for the modus operandi for gaining maximum profit, and genuine development seems to have fallen by the wayside. That is not to say that development efforts have not been endeavoured. However, even in the instances where such efforts have, or are, taking place, various forms of inequality have resulted in the exclusion of groups of people, such as women, from constructively benefiting from such development.

Economic theory tells us that growth should ideally result in poverty reduction, by what is called the “trickle-down effect”. Yet, reality tells a very different story. In Sri Lanka, the population living under the poverty line hasn’t significantly decreased, with 21.8% of the population having lived under the poverty line in the 1990/1 period compared to 19.2% in 2002, while GDP growth records an increase from around 5% to over 7%.

There are those who argue that trade and economic growth does not work towards poverty alleviation while others believe trade and growth is the way forward towards poverty alleviation. The former advocates a return to the basic structure of society – the exchange of resources rather than trading – while the latter seeks to simply promote growth.

The reality possibly lies in between. Trade *can* promote development, and thereby work towards poverty alleviation, but in order to do so it must be regulated such that developmental outcomes are achieved by trading partners.

This is the economic aspect of trade and development.

In recent times, however, a different element has been introduced into the trade and development debate: the element of human rights.

The human rights aspect of trade and development has been discussed for a couple of decades now, but very little work is available in Sri Lanka in this respect. Therefore the human rights aspects of trade and development is accepted and understood in a very limited sense here, in areas such as labour rights.

Trade, Development and Human Rights

Human rights are talked of today in almost every sphere. Respect for, and dignity of, people are the cornerstones of human rights. Therefore the inclusion of human rights norms, and is, pertinent in trade and development.

It is this recognition, which resulted in the 1986 United Nations (UN) Declaration on the Right to Development. The crux of this Declaration lies in the assertion that a person is the central subject of development, and thereby implies that development policy needs to make people the central beneficiary of development. This Declaration has been criticized for its State-centric nature in formulating a large number of duties to be performed by the State. However, the earlier formulated International Covenant on Economic, Social and Cultural Rights

(ICESCR), which is widely accepted, also places primary responsibility on the State to ensure that every person's right to food, health, shelter, education, work and social security is realized.

In addition to the existence of international treaties and resolutions, civil society's attention to the human rights aspects of trade was effectively caught when it was revealed, by a coalition of labour rights groups, that a Multilateral Agreement on Investment (MAI) was being discussed by trade negotiators at the Organization for Economic Co-operation and Development in 1998. Such an agreement, it was discovered, would have given priority to the rights of foreign investors (including large corporations) over public interest concerns such as workers' protection.

While these talks halted a few months later, it gave much needed publicity to the fact that international trade policy was negotiated primarily between developed countries behind closed doors where their impact on developing countries, and human rights concerns, were not necessarily always taken into account; an argument some civil society groups had been pushing over the last few decades. This furor led to the adoption of a statement, in May 1998, by the Committee on Economic, Social and Cultural Rights (CESCR) calling on the WTO to take human rights concerns into consideration in trade policies.

Poverty and Human Rights

Poverty is often understood to be based on individual failure when, rather, according to the UN Office of the High Commissioner for Human Rights, it ought to be viewed chiefly as "a result of *disempowerment* and *exclusion*".

Such an understanding bestows on a State the important responsibility of ensuring that all its citizens are empowered and included in the economic benefits gained by a country. If development is recognized as an inalienable human right, as advocated by the UN Declaration on the Right to Development, it further places an obligation on countries (and the international world) to ensure that right is upheld at every juncture of trade negotiations.

Human rights emphasize that poverty reduction needs to be the principal objective of development and development policy. Therefore, to link the above mentioned aspects of economics to the human rights argument, trade and economic growth needs to be viewed as a means, rather than as a goal, of development.

Development, which is consistent with human rights norms, needs to be then channeled towards poverty reduction. In turn, to ensure that trade, growth and development is consistent with human rights norms, there need to be policies in place to ensure States are obliged to trade within a system that respects universal values adopted by all States.

Existing trade agreements between States affect the rights of people in developing countries due to the various obligations, which may result from the agreements. Therefore, trade justice needs to be achieved and unfair trading practices identified and overcome at all levels.

Trade Justice

Trade justice is the demand of a global campaign, which calls for changes in the rules and practices of world trade so that the poor benefit from development. The most popular demand developing countries have made and continue to make is to achieve greater market access. Developing countries, such as Sri Lanka, would naturally benefit if given greater market access without having to face high tariffs.

Along with the demand for greater market access, trade justice campaigners also protest against unfair trading practices such as the forced liberalization of markets, dumping, transnational dominance, private intellectual property rights and the existence of exploitative labour conditions.

To explain the gist of some of these unfair trading practices briefly, while developed countries have had a chance in the past to choose when, and by how much, to liberalize their markets, developing countries today are not given that same chance due to pressure from developed country trading partners and/ or multilateral organizations, such as the World Trade Organization (WTO).

Secondly, the heavy subsidization of export goods by developed countries means that when they are dumped on developing countries' markets, local prices are driven down, making the competition uneven, resulting in local producers bearing the loss. This phenomenon is frequently seen in the Sri Lankan paddy market when merchants import cheaper rice with which local farmers are unable to compete.

Meanwhile patenting, it is argued, results in making crucial, and often life-saving, medicines unaffordable to developing countries.

And finally, exploitative labour conditions can be caused by the fact that since developing countries have the advantage of cheaper labour, the call for more efficient production and better products can result in an increase in the risks to workers' rights. For example, while the female labour force in Sri Lanka have been given many opportunities of employment due to the ready-made garment industry, negative impacts exist in some factories such as violation of national labour laws on working hours, holidays and sick leave, occupational health and safety issues. On another level, while issues of exploitative labour conditions are being addressed, attention needs to be paid to the impacts the employment of some labour groups can have on society. For example, problems such as the break up of families and child abuse have risen due to migrant labour.

Promoting respect for human rights

Promoting respect for human rights, within trade and development discussions and negotiations, is gaining strength all over the world. In Sri Lanka, much work is yet needed to firstly create awareness on the human rights aspects of trade and development and secondly to mobilize people to demand for better standards.

A number of civil society organizations have been mobilizing on the unfairness of global, and now regional and bilateral trade agreements and the harmful impacts on vulnerable groups.

Recently, the Law & Society Trust has been seeking to advocate trade justice and build a network of concerned organizations and individuals through its campaign publication on 'Linkages between Trade, Development and Poverty Reduction', workshops and participation in social justice initiatives such as the 2008 World Social Forum Sri Lanka convergence and the forthcoming Peoples SAARC assembly in Colombo in July.